



State of Nevada Department of Business & Industry

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FOR IMMEDIATE RELEASE

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OFFICE OF BUSINESS FINANCE AND PLANNING

Expanded eligibility for low-cost, tax-exempt bond financing benefits Nevada manufacturers

Congress recently passed the Tax Increase Prevention and Reconciliation Act of 2005 which, among other things, raises the capital expenditure limit from \$10 million to \$20 million for industrial development bonds, effective December 31, 2006.

Although the limit on tax exempt financing remains at \$10 million, the increase in the capital expenditure limit will allow manufacturers wishing to expand their business to qualify for low-cost, tax-exempt financing for projects up to \$20 million using a mix of tax-exempt and taxable bonds or conventional financing.

"This will help a lot of small, family-owned businesses expand and grow in ways they couldn't have done before. We're excited to be able to offer our customers increased access to this improved financing tool," said Doug Walther, manager of the Office of Business Finance and Planning.

June 15, 2006

The state Office of Business Finance and Planning administers the Industrial Development Revenue Bond (IDRB) program authorized in NRS 349.400 to 349.670, inclusive. The program exists to provide low-cost borrowing for qualified manufacturers and other entities to develop and diversify the economy of the State of Nevada, encourage certain civic or public interest activities and create or expand manufacturing and employment opportunities in this state.

Another financing option to manufacturers is the Mini Bond Program which can provide up to \$20 million in direct-purchase bonds to finance the acquisition, development and/or refurbishment of land, buildings and new equipment used in the manufacturing process. Interest rates for tax exempt bonds are typically at least 2% lower than conventional financing.

Although the capital expenditure increase does not take effect until December 31, 2006, it is not too early to consider financing your project with industrial development bonds. If you are interested in learning more about this financing opportunity please review the enclosed brochure and contact me at 775-687-4246, dwalther@dbi.state.nv.us or visit our web site at <http://dbi.state.nv.us/bfp/>.

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**NOTE: ELECTRONIC PHOTOS OF NEVADA PROJECTS AND FACILITIES BUILT WITH TAX-EXEMPT BOND FINANCING ARE AVAILABLE BY CONTACTING DOUG WALTHER:
775-687-4246, dwalther@dbi.state.nv.us**